

SHRIRAM FINANCE LIMITED (formerly Shriram Transport Finance Company Limited)

CIN: L65191TN1979PLC007874

Regd. Office: Sri Towers, 14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu.

Tel. No: +91 44 4852 4666, Fax: +91 44 4852 5666. Website-www.shriramfinance.in, email-secretarial@shriramfinance.in

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2022

(Rs. in crores)

Sr. No.	Particulars	Quarter Ended			Nine months Ended		Year Ended
		31.12.2022 (Unaudited)	30.09.2022 (Unaudited) Restated - Refer Note 5	31.12.2021 (Unaudited)	31.12.2022 (Unaudited)	31.12.2021 (Unaudited)	31.03.2022 (Audited)
	Revenue from operations						
(i)	Interest Income	7,173.97	7,002.39	4,660.68	20,860.45	13,718.10	18,646.26
(ii)	Dividend Income	-	5.34	-	6.52	-	-
(iii)	Rental Income	0.04	0.04	0.05	0.12	0.13	0.17
(iv)	Fees and Commission Income	193.63	138.91	24.83	500.05	70.30	100.08
(v)	Net Gain on Fair Value Changes	97.01	105.97	61.65	256.62	167.31	221.70
(vi)	Net Gain on Derecognition of Financial Instruments under Amortised Cost Category	44.53	54.64	67.12	126.97	168.38	217.74
(vii)	Others	99.83	101.74	13.53	266.13	49.34	69.22
(I)	Total Revenue from operations	7,609.01	7,409.03	4,827.86	22,016.86	14,173.56	19,255.17
(II)	Other Income	3.28	9.56	4.47	17.60	13.08	19.06
(III)	Total Income (I+II)	7,612.29	7,418.59	4,832.33	22,034.46	14,186.64	19,274.23
	Expenses						
(i)	Finance Costs	3,111.96	3,224.89	2,397.25	9,281.25	7,330.59	9,734.31
(ii)	Fees and Commission Expenses	101.74	92.81	17.51	253.53	80.21	91.74
(iii)	Impairment on Financial Instruments (Refer Note 3)	917.25	897.59	984.27	2,974.53	3,100.07	3,860.86
(iv)	Employee Benefit Expenses	639.10	583.10	242.87	1,815.39	722.21	997.09
(v)	Depreciation, Amortization and Impairment	58.09	54.17	34.66	166.32	100.77	135.37
(vi)	Other Expenses	399.80	469.79	232.48	1,254.94	654.16	905.61
(IV)	Total Expenses	5,227.94	5,322.35	3,909.04	15,745.96	11,988.01	15,724.98
(V)	Profit Before Exceptional Items and Tax (III - IV)	2,384.35	2,096.24	923.29	6,288.50	2,198.63	3,549.25
(VI)	Exceptional Items	-	-	-	-	-	-
(VII)	Profit Before Tax (V + VI)	2,384.35	2,096.24	923.29	6,288.50	2,198.63	3,549.25
(VIII)	Tax expense:						
(1)	Current Tax	804.91	696.34	338.66	2,175.82	958.90	1,112.57
(2)	Deferred Tax	(196.94)	(155.21)	(95.99)	(557.76)	(382.07)	(188.93)
(3)	Tax Adjustment for Earlier Years	(0.59)	-	-	(0.59)	-	(82.32)
(IX)	Profit for the Period (VII - VIII)	1,776.97	1,555.11	680.62	4,671.03	1,621.80	2,707.93
(X)	Other Comprehensive Income						
(A) (i)	Items that will not be reclassified to profit or loss						
	Remeasurement Gain/ (Loss) on Defined Benefit Plan	3.65	(0.61)	(0.78)	(6.73)	(4.02)	(3.24)
	Gain / (Loss) on Fair valuation of quoted investments in equity shares	8.07	0.98	-	(10.61)	-	-
(ii)	Income Tax relating to items that will not be reclassified to Profit or Loss	(2.95)	(0.10)	0.19	4.36	1.01	0.82
	Subtotal (A)	8.77	0.27	(0.59)	(12.98)	(3.01)	(2.42)
(B) (i)	Items that will be reclassified to profit or loss						
	Cash Flow Hedge Reserve	(39.11)	(33.85)	50.96	(173.85)	26.38	(160.87)
(ii)	Income Tax relating to items that will be reclassified to Profit or Loss	9.84	8.52	(12.83)	43.75	(6.64)	40.49
	Subtotal (B)	(29.27)	(25.33)	38.13	(130.10)	19.74	(120.38)
	Other Comprehensive Income (A+B) for the period	(20.50)	(25.06)	37.54	(143.08)	16.73	(122.80)
(XI)	Total Comprehensive Income for the period (IX+X)	1,756.47	1,530.05	718.16	4,527.95	1,638.53	2,585.13
(XII)	Paid-up Equity Share Capital (Face Value Rs. 10/- per share)	374.43	374.43	270.52	374.43	270.52	270.52
(XIII)	Other Equity						25,661.67
(XIV)	Earnings per Equity Share (Not annualised for the interim periods)						
	Basic (Rs.)	47.46	41.53	25.26	124.75	61.26	101.74
	Diluted (Rs.)	47.26	41.37	25.26	124.24	61.26	101.74

Notes:

- 1 The above results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings held on January 31, 2023.
- 2 The standalone financial results for the quarter and nine months ended December 31, 2022 have been reviewed by the Statutory Auditors.
- 3 The Company holds management overlay of Rs. 1,651.39 crores as at December 31, 2022.
- 4 The Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT") has approved the Composite Scheme of Arrangement and Amalgamation ("Scheme"), inter alia, involving amalgamation of Shriram Capital Limited (SCL) with its Remaining undertaking with the Company and amalgamation of Shriram City Union Finance Limited (SCUF) with its entire undertaking with the Company, vide order dated November 9, 2022 to be read with Corrigendum order dated November 17, 2022 effective from Appointed date of the Scheme being April 01, 2022. Pursuant to the Scheme, the name of the Company is changed to Shriram Finance Limited upon receipt of necessary approval from the Registrar of Companies, Tamil Nadu, Chennai, Ministry of Corporate Affairs, with effect from November 30, 2022. Pursuant to the Scheme, new equity shares of face value of Rs. 10 each fully paid-up have been issued and allotted to the eligible shareholders of SCL and SCUF on December 12, 2022 as per the share exchange ratio contained in the Scheme. As per Ind AS 103, the amalgamation has been accounted under "acquisition method" read with Paragraph 45 of the said Ind AS. The difference between the purchase consideration and fair value has been accounted as goodwill on amalgamation.
- 5 The figures for the previous periods after the appointed date for merger (i.e. April 01, 2022) have been restated to take the effect of transferor Companies SCUF and SCL for the said periods as discussed in note 4 above and are therefore not comparable with figures of the respective previous year periods or previously reported figures for the said quarters.
- 6 Disclosure pertaining to RBI Master Direction - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021
- a Details of transfer through assignment in respect of loans not in default during the nine months period ended December 31, 2022:

Count of loans accounts assigned	33,851
Amount of loan accounts assigned (Rs. in crores)	1,054.12
Weighted average maturity (in months)	39
Weighted average holding period (in months)	10
Retention of beneficial economic interest (%)	10.00%
Coverage of tangible security	100.00%
Rating wise distribution of rated loans	Not Rated

- b Details of acquired through assignment in respect of loans not in default during the nine months period ended December 31, 2022:

Count of loans accounts acquired	3,028
Amount of loan accounts acquired (Rs. in crores)	14.29
Weighted average maturity (in months)	21
Weighted average holding period (in months)	6
Retention of beneficial economic interest (%)	20.00%
Coverage of tangible security	142.00%
Rating wise distribution of rated loans	Not Rated

- c The Company has neither acquired nor transferred any stressed loans during the nine months period ended December 31, 2022.
- 7 The Board of Directors had declared an interim dividend of 150% i.e. Rs.15/- per equity share of face value Rs.10/- each fully paid up for the Financial Year 2022-23, amounting to Rs. 5,616,409,140/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of interim dividend was January 4, 2023. The interim dividend was paid to eligible shareholders on January 13, 2023.
- 8 The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.
- 9 Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached in Annexure 1.

- 10** The Company's secured non-convertible debentures are secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and mortgage of immovable property and with a cover of 100% and above as per the terms of issue.
- 11** As on December 31, 2022 the security cover available in respect of secured non-convertible debt securities is 1.09 times. The security cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 is attached as Annexure 2.
- 12** The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Operating segments.
- 13** The figures for the previous quarter / year have been regrouped/ rearranged wherever necessary to conform to the current period/ year

For Shriram Finance Limited
(formerly Shriram Transport Finance Company
Limited)

Place: Mumbai
Date: January 31, 2023

Y. S. Chakravarti
Managing Director & CEO
DIN: 00052308

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Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**Annexure 1**

(Rs. in crores)

Sr. No.	Particulars	Standalone					
		Quarter Ended		Nine Months Ended		Year Ended	
		31.12.2022 (Unaudited)	30.09.2022 (Unaudited) Restated - Refer Note 5	31.12.2021 (Unaudited)	31.12.2022 (Unaudited)	31.12.2021 (Unaudited)	31.03.2022 (Audited)
1	Debt-Equity Ratio (times) ¹	3.61	3.89	4.45	3.61	4.45	4.42
2	Debt Service Coverage Ratio ²	NA	NA	NA	NA	NA	NA
3	Interest Service Coverage Ratio ²	NA	NA	NA	NA	NA	NA
4	Outstanding Redeemable Preference Shares (Quantity)	Nil	Nil	Nil	Nil	Nil	Nil
5	Outstanding Redeemable Preference Shares (value) (Rs. in crores)	Nil	Nil	Nil	Nil	Nil	Nil
6	Capital Redemption Reserve (Rs. in crores)	53.88	53.88	53.88	53.88	53.88	53.88
7	Debenture Redemption Reserve (Rs. in crores)	307.28	307.28	921.41	307.28	921.41	307.28
8	Networth ³ (Rs. in crores)	42,315.66	40,548.87	25,282.57	42,315.66	25,282.57	25,904.55
9	Net Profit After Tax (Rs. in crores)	1,776.97	1,555.11	680.62	4,671.03	1,621.80	2,707.93
10	Earnings per equity share (Not annualised for the interim periods)						
	Basic (Rs.)	47.46	41.53	25.26	124.75	61.26	101.74
	Diluted (Rs.)	47.26	41.37	25.26	124.24	61.26	101.74
11	Current Ratio	NA	NA	NA	NA	NA	NA
12	Long Term Debt to Working Capital	NA	NA	NA	NA	NA	NA
13	Bad Debts to Accounts Receivable Ratio	NA	NA	NA	NA	NA	NA
14	Current Liability Ratio	NA	NA	NA	NA	NA	NA
15	Total Debts ⁴ to Total Assets	0.77	0.79	0.81	0.77	0.81	0.81
16	Debtors Turnover	NA	NA	NA	NA	NA	NA
17	Inventory Turnover	NA	NA	NA	NA	NA	NA
18	Operating Margin (%)	NA	NA	NA	NA	NA	NA
19	Net Profit Margin (%) ⁵	23.34%	20.96%	14.08%	21.20%	11.43%	14.05%
20	Sector Specific equivalent Ratios						
	Capital Adequacy Ratio (%) ⁶	22.99%	23.20%	23.31%	22.99%	23.31%	22.97%
	Gross NPA Ratio (%) ⁷	6.29%	6.31%	8.40%	6.29%	8.40%	7.07%
	Net NPA Ratio (%) ⁸	3.20%	3.32%	4.36%	3.20%	4.36%	3.67%
	NPA Provision Coverage Ratio (%) ⁹	50.71%	49.06%	50.25%	50.71%	50.25%	49.97%
	Liquidity Coverage Ratio (%) ¹⁰	242.93%	238.42%	164.99%	269.59%	164.99%	148.70%

Note

- Debt-equity ratio = (Debt securities + Borrowings (other than debt securities) + Deposit + Subordinated liabilities)/(Equity Share capital + Other equity)
- The Company is registered under the Reserve Bank of India Act, 1934 as Non-Banking Financial Company, hence these ratios are generally not applicable as per proviso to Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Networth is calculated as defined in section 2(57) of Companies Act 2013.
- Total debts to total assets = (Debt securities + Borrowings (other than debt securities) + Deposit + Subordinated liabilities)/ Total assets.
- Net profit margin = Net profit after tax/ Total Income.
- Capital ratio = Total Capital funds/ Risk weighted assets, calculated as per applicable RBI guidelines.
- Gross NPA ratio (%) = Gross stage 3 loans/Gross Loans.
- Net NPA ratio (%) = Net stage 3 loans/(Gross loans - ECL on stage 3 loans) where Net stage 3 loans = Gross stage 3 loans - ECL on stage 3 loans.
- NPA Provision coverage ratio (%) = ECL on stage 3 loans/ Gross stage 3 loans.
- Liquidity Coverage Ratio (LCR) is calculated as per circular no. RBI/2019-20/88DDR.NBFC.(PD) CC. No. 102/03.10.001/2019-20 dated November 04, 2019 issued by the Reserve Bank of India. As per the said circular, LCR is applicable from December 1, 2020.
- NPA = Non-performing Assets.

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Annexure 2

Standalone Security Cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(Rs. in crores)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari- Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	Debts not backed by any assets offered as security (applicable only for liability side)	(Total C to J)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari-passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-passu charge (excluding items Covered in column F)		Debt amount considered more than once (due to exclusive plus pari-passu charge)			Market Value for Assets charged on Exclusive basis	Carrying/ book value for exclusive charge assets where market value is not ascertainable or applicable	Market Value for pari-passu charge Assets ^{viii}	Carrying value/ book value for pari-passu charge assets where market value is not ascertainable or applicable	Total Value (L + M + N + O)
		Book Value	Book Value	Yes/ No	Book Value	Book Value							Relating to Column F		
ASSETS															
Property, Plant and Equipment	Freehold Land and Building	0.01					190.90			190.91	0.02				0.02
Capital Work-in-Progress							-			-					-
Right of Use Assets							486.87			486.87					-
Goodwill							1,408.63			1,408.63					-
Other Intangible Assets							1,518.78			1,518.78					-
Intangible Assets under Development							66.08			66.08					-
Investments							9,359.58			9,359.58					-
Loans	Loans / advances given (net of provisions, NPAs and sell down portfolio)	35,511.05	93,027.64				36,504.64			1,65,043.34		35,511.05			35,511.05
Inventories							-			-					-
Trade Receivables							24.93			24.93					-
Cash and Cash Equivalents							9,696.78			9,696.78					-
Bank Balances other than Cash and Cash Equivalents							7,046.93			7,046.93					-
Others							3,498.25			3,498.25					-
Total		35,511.06	93,027.64	-	-	-	69,802.37	-		1,98,341.08	0.02	35,511.05	-	-	35,511.07

Standalone Security Cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(Rs. in crores)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari- Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	Debts not backed by any assets offered as security (applicable only for liability side)	(Total C to J)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari-passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-passu charge (excluding items Covered in column F)		Debt amount considered more than once (due to exclusive plus pari-passu charge)			Market Value for Assets charged on Exclusive basis	Carrying/ book value for exclusive charge assets where market value is not ascertainable or applicable	Market Value for pari-passu charge Assets ^{viii}	Carrying value/ book value for pari-passu charge assets where market value is not ascertainable or applicable	Total Value (L + M + N + O)
		Book Value	Book Value	Yes/ No	Book Value	Book Value							Relating to Column F		
LIABILITIES															-
Debt securities to which this certificate pertains		32,499.43	12,351.58	Yes			-		93.65	44,944.66					-
Other debt sharing pari-passu charge with above debt							-			-					-
Other Debt							-			-					-
Subordinated debt							-		4,635.02	4,635.02					-
Borrowings			69,251.77				-			69,251.77					-
Bank							-			-					-
Debt Securities							-			-					-
Others							34,496.12			34,496.12					-
Trade payables							302.37			302.37					-
Lease Liabilities							559.05			559.05					-
Provisions							180.23			180.23					-
Others							1,551.63			1,551.63					-
Total		32,499.43	81,603.35	-	-	-	37,089.40	-	4,728.67	1,55,920.85	-	-	-	-	-
Cover on Book Value															1.09
Cover on Market Value^{ix}															
		Exclusive Security Cover Ratio	1.09		Pari-Passu Security Cover Ratio	-									

Notes:

1. We confirm that the Company has complied with the covenants mentioned in the disclosure documents of the Secured redeemable Non-convertible debentures for the period ended December 31, 2022.

2. The market value of Rs. 0.02 crore of the Freehold Land is on the basis of certified valuation done on May 23, 2022.